

Message Text

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PAGE 01 SAO PA 02914 202225Z
ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 FRB-01 TRSE-00 OMB-01 /024 W
----- 072677 /66

R 201930Z DEC 76
FM AMCONSUL SAO PAULO
TO SECSTATE WASHDC 7365
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO

UNCLAS SAO PAULO 2914

PASS EXIMBANK

E.O.11652: N/A
TAGS: EFIN, BR
SUBJECT: EXIMBANK BANK GUARANTEE CLAIM NO. D-9899/G-246-3 SERVICOS E
FORMULARIOS CONTINUOS SERVFORMS S.A.

REF: STATE 289332#

1. RECENT DUN & BRADSTREET REPORT INDICATES THAT SERVFORMS HAS A TIGHT

FINANCIAL SITUATION AND MEETS SOME OF ITS LOCAL PAYMENT OBLIGATIONS
WITH
SERIOUS DELAYS. DECEMBER 1975 BALANCE SHEET SHOWED NET WORTH OF
CR\$3.25 MILLION AS COMPARED WITH REGISTERED CAPITAL OF CR\$3.3 MILLION,

WORKING CAPITAL OF CR\$1.58 MILLION, A CURRENT ASSETS TO LIABILITIES
RATIO OF 1.21 TO 1.00, AND ANNUAL SALES TOTALLING CR\$20.37 MILLION WITH

NET PROFIT OF CR\$397,592.

2. ALTHOUGH NO UPDATED REPORT IS AVAILABLE ON FIVAP S. A. (ONE OF
SERFORMS' GUARANTORS) DUN & BRADSTREET HAS INFORMED POST THAT
DECEMBER 1975 CREDIT REPORT SHOWED FIVAP'S FINANCIAL SITUATION WAS
UNFAVORABLE AND IT HAD SOME NOTES PROTESTED. FIVAP'S PROMISES TO
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DISCUSS WITH POST THE SITUATION OF SERFORMS, AND TO ARRANGE A MEETING
WITH GUARANTOR BENEDITO PESTANA JR., HAVE NOT MATERIALIZED.

3. POST CONTACTED MR. ELLO SAARVA, LOCAL REPRESENTATIVE OF
CONTINENTAL BANK, WHO BELIEVES SERFORMS REALLY IS SHORT OF FUNDS
AND IS PLAYING FOR TIME.

4. NELSON PICCOLO, SERFORMS DIRECTOR, WAS INTERVIEWED AT POST. HE CONTENDS THAT THE DELAY IN SHIPPING AND INSTALLATION OF WESTERN GEAR MACHINERY CAUSED SERIOUS FINANCES LOSSES, LEAVING HIM SHORT OF CAPITAL AND UNABLE TO PAY THE FIRST INSTALMENT. HE EVEN BELIEVES WESTERN GEAR IS LIABLE FOR SOME DAMAGES AND LOSSES SUFFERED BY SERFORMS. PICCOLO STATES THAT HE HAS APPLIED FOR SEVERAL LOCAL BANK LOANS AND EXPECTS PART OF THESE TO MATERIALIZE IN DUE COURSE. HE ALSO SAYS THAT AS SERFORMS NOW IS DEVELOPING PRODUCTION ON THE WESTERN GEAR MACHINES, SALES RECEIPTS WILL BE COMING IN FASTER. PICCOLO, THEREFORE, SAYS HE FEELS CONFIDENT THAT SERFORMS WILL BE ABLE TO PAY THE SECOND INSTALMENT ON DUE DATE. SINCE HE HAS NOT YET PAID THE FIRST INSTALMENT POSTPONED TO THE LAST (I. E. TO 17 SEP 81). SERFORMS WOULD PLEDGE TO PAY THE FIRST INSTALMENT THEN WITH ALL THE INTEREST THAT MIGHT ACCRUE.

5. POST INFORMED SERFORMS, THROUGH PICCOLO, OF THE SERIOUSNESS OF THE MATTER. ON BASIS OF AVAILABLE INFORMATION, IT SEEMS LIKELY THAT SERFORMS HAS NO FUNDS AVAILABLE INFORMATION, IT SEEMS LIKEL AT LEAST FOR THE TIME BEING. CHAPIN

NOTE BY OC/T: #AS RECEIVED.

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: INSURANCE, LOANS, TRANSACTION CHECKS
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Copy: SINGLE
Draft Date: 20 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SAOPA02914
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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Film Number: D760467-0845
From: SAO PAULO
Handling Restrictions: n/a
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Margaret P. Grafeld
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